THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPTT. OF INDUSTRIAL DEVELOPMENT) AND MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPTT. OF HEAVY INDUSTRY). (SMT. KRISHNA SAHI) : (a) Since the announcement of New Industrial Policy proposals envisaging total foreign direct investment of Rs. 12291.53 crores have been approved till the end of November, 1993. Country-wise break-up of the foreign investment approved is given in the attached annexure. [*See* appendix CLXIX, Annexure No. 45].

(b) to (e) Comparative figures of foreign direct investment in China are not maintained in the Ministry. Apart from having a distinct geographical and political set up, China has been in the race for attracting foreign direct investment for nearly 12 years over India which started its programme of economic liberalization only in July, 1991 and its full impact will be discernible only a few years from now. Economic liberalisation initiated by Government of India has, however, generated considerable interest among foreign investors. The total foreign investment approved in the post policy period is Rs. 12291.53 crores till the end of November, 1993. This is nearly 10 times the total foreign investment approved in the last decade (1981—90). Government's foreign investment policy and other measures of economic liberalisations are constantly kept under watch so as to respond promptly to the foreign investor's genuine needs and to make it internationally competitive.

Protecting Industries from high tech. foreign investors

1990. SHRI S. MADHAVAN : Will the PRIME MINISTER be pleased to state :

(a) whether Government have examined the difficulties of Indian Industries in facing competition from foreign investors under liberalised foreign investments ; and

(b) what are the steps taken to protect existing industries from the invasion of high-tech foreign investors ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPTT. OF INDUSTRIAL DEVELOPMENT) AND MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPTT. OF HEAVY INDUSTRY). (SMT. KRISHNA SAHI) : (a) and (b) The attainment of technological dynamism and international competitiveness for utilising global marketing opportunities are among the main objectives of Government's foreign investment policy and policy for technology transfer arrangements. Competition will induce Indian industry to develop indigenous competence for the efficient absorption of foreign technology and to invest much more in research and development.

New pricing formula

1991. SHRI JAGDISH PRASAD MATHUR : Will the PRIME MINISTER be pleased to state :

(a) the details of the new pricing formula framed to enable Foreign Companies to increase their enquity share ;

(b) the names of the companies that have increased their equity beyond fifty one percent ; and

(c) what are the benefits Government are expecting to draw through this changed approach ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPTT. OF INDUSTRIAL DEVELOPMENT) AND MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPTT. OF HEAVY INDUSTRY). (SMT. KRISHNA SAHI) (a) After the Capital Issues (Control) Act, 1947 was repealed and following the issue of guidelines by the Securities and Exchange Board of India, existing companies wishing to raise foreign equity holdings can do so at the price determined by the share-holders of the respective companies in a special resolution under Section 81 (1) (A) of the Companies Act. In view of this, the question of laying down any new pricing formula by the Government does not arise.

(b) A statement is attached (*See* below).

(c) In view of reply to part (a), the question does not arise.